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Message Text

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73
ORIGIN EA-06

INFO OCT-01 SS-14 ISO-00 PM-03 L-01 DODE-00 NSC-05 NSCE-00

INR-05 CIAE-00 OMB-01 SP-02 PRS-01 TRSE-00 SAM-01

EB-03 /043 R

DRAFTED BY EA/TB:GBROBERTS:MGH
APPROVED BY P - MR HABIB
P:DO'DONOHUE
PM:JLEONARD
L/EA:EVERVILLE
DOD/ISA:LT. COL. KING
EA - MR MILLER
S/S-O:LRMACFARLANE
---------- 049314
P 080057Z JUL 76
FM SECSTATE WASHDC
TO AMEMBASSY BANGKOK PRIORITY

S E C R E T STATE 168501

LIMDIS

E.O. 11652: GDS

TAGS: MILI, MARR, TH, US

SUBJECT: U.S. RESIDUAL PRESENCE IN THAILAND: THAI
DEMARCHE IN WASHINGTON

1. THAI AMBASSADOR UPADIT ASKED TO CALL ON UNDER SECRETARY HABIB JULY 6. HE SAID HE WAS UNDER INSTRUCTIONS URGENTLY TO DISCUSS AIT AND ICS. HE WILL BE CALLING ON DOD/ISA(ABRAMOWITZ) JULY 7 TO DISCUSS THE SAME TOPICS.

2. UPADIT ASKED FOR MR. HABIB'S ASSISTANCE IN THE CURRENT NEGOTIATIONS ON AIT AND ICS. HE SPECIFICALLY REQUESTED THAT THE AIT BE LEFT IN THAILAND INDEFINITELY
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AT NO COST AND THAT ICS BE PROVIDED AT NO COST. HE ALSO

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ASKED THAT THE U.S. PAY THE MAINTENANCE AND OPERATIONAL COSTS OF THE PART OF THE ICS WHICH WOULD STILL BELONG TO THE USG. IF THE AIT COULD NOT BE PROVIDED FREE, UPADIT ASKED IF IT COULD BE MADE AVAILABLE AT A "TOKEN PRICE". FINALLY, UPADIT ASKED IF THE U.S. WERE STILL INTERESTED IN A "PACKAGE DEAL".

3. HABIB TOLD UPADIT THAT IT WAS HIS UNDERSTANDING THAT DISCUSSIONS AT THE POLITICAL LEVEL HAD BEEN COMPLETED IN BANGKOK AND AGREEMENT IN PRINCIPLE REACHED. IT WAS ALSO HIS UNDERSTANDING THAT TECHNICAL DISCUSSIONS WERE NOW

TAKING PLACE BETWEEN THE EMBASSY AND THE MINISTRY OF DEFENSE. HABIB EXPLAINED THAT IT WAS SIMPLY NOT POSSIBLE UNDER OUR LAW TO PROVIDE AIT AT ANYTHING BUT THE ESTABLISHED DOD PRICE. THE LAW HAD BEEN CHANGED TO PERMIT DEFERRED PAYMENT AND STORAGE IN THAILAND UNTIL PURCHASE, BUT THE PRICE WAS FIRM.

4. HABIB THEN POINTED OUT THAT THE TURNOVER OF ICS EXCESS ITEMS AND THE BAILMENT OF THE NON-EXCESS EQUIPMENT AMOUNTED TO AN EXCELLENT DEAL FOR THE THAI. UPADIT WAS TOLD THAT THE FREE U.S. USE OF THE BAILED ITEMS CONSTITUTED THE RENT FOR THOSE ITEMS. IF WE WERE TO PAY THE OPERATIONAL AND MAINTENANCE COSTS OF THE EQUIPMENT TO WHICH WE STILL HELD TITLE, THERE WOULD BE NO WAY TO ACCOUNT FOR THE BAILMENT.

5. HABIB TOLD UPADIT THAT WE WERE NOT ONLY STILL INTERESTED IN A PACKAGE DEAL WHICH INCLUDED TAKHLI TRANSIT BUT THAT WAS THE ONLY WAY IN WHICH WE WERE PREPARED TO REACH OVERALL AGREEMENT WITH THE THAI. HE AGAIN COMMENTED THAT THE NEGOTIATIONS WERE TAKING PLACE IN BANGKOK, TO WHICH UPADIT REPLIED, "BUT WE WANT YOUR HELP". HABIB THEN TOLD UPADIT THAT HE SHOULD TELL HIS GOVERNMENT THAT WE HAD GONE AS FAR AS WE COULD GO. WE HAD COME A LONG WAY.

6. THE MEETING ENDED WITH A DISCUSSION OF THE IMPLICATIONS OF THE RECENT CHANGE IN LAW RELATIVE TO MILITARY

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STOCKS STORED ABROAD. UPADIT SAID THAT HE AND THE RTG HAD BEEN UNDER THE IMPRESSION THAT THE CHANGES WOULD PERMIT THE TRANSFER OF SUCH STOCKS AT NO COST. HABIB EXPLAINED THAT UNDER THE OLD LAW, STOCKS EARMARKED FOR A FOREIGN COUNTRY HAD TO BE PAID FOR AS SOON AS THEY WERE SO EARMARKED. THE NEW LAW, SIGNED BY THE PRESIDENT JUNE 30, WOULD PERMIT PAYMENT TO BE DEFERRED UNTIL TITLE WAS ACTUALLY TRANSFERRED. THERE WAS NOTHING IN

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THE NEW LAW WHICH WOULD PERMIT TRANSFER OF THE AIT AT NO COST OR AT A TOKEN PRICE. (WE WILL BE PROVIDING UPADIT WITH TEXTS OF THE OLD AND NEW LEGISLATION.)

7. ON LEAVING, UPADIT PROVIDED HABIB WITH THE FOLLOWING AIDE MEMOIRE:

"1. REFERENCE IS HEREBY MADE TO THE STOCKPILE OF AMMUNITION IN THAILAND (AIT) WHICH IS AT PRESENT A SUBJECT OF NEGOTIATION IN BANGKOK BETWEEN OFFICIALS OF THE ROYAL THAI GOVERNMENT AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA.

"2. IN THIS CONNECTION, THE ROYAL THAI GOVERNMENT PROPOSES THAT:-

"2.1 AIT BE KEPT IN STORAGE IN THAILAND INDEFINITELY.

"2.2 THE INTEGRATED COMMUNICATIONS SYSTEMS (ICS) IN PERFECTLY WORKING CONDITIONS BE TRANSFERRED TO THE ROYAL THAI GOVERNMENT AT NO COST.

"2.3 SIXTY-TWO MANUAL MORSES AND SIX VOICE COLLECTION POSITIONS TOGETHER WITH OTHER RELATED INSTRUMENTS (EXCLUDING FLR-9 ANTENNA) BE TRANSFERRED TO THE ROYAL THAI GOVERNMENT AT NO COST.

"3. IN CONSIDERATION FOR THE ABOVE PROPOSALS, THE ROYAL THAI GOVERNMENT MAY:

"3.1 PERMIT CONTINUATION OF THE OPERATION BY THAI PERSONNEL OF THE UNITED STATES SEISMIC STATION IN CHIENGMAI. COSTS OF THE OPERATION WILL BE BORNE BY THE
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UNITED STATES GOVERNMENT. DATA GATHERED WILL ALSO BE TRANSMITTED TO THE UNITED STATES AUTHORITIES CONCERNED.

"3.2 PERMIT OVERFLIGHTS AND TRANSIT FACILITIES BY UNITED STATES AIRCRAFT AT TAKLI. SUCH OVERFLIGHTS AND TRANSITS MUST BE CONDUCTED IN THE CONFORMITY WITH THE RELEVANT RULES AND REGULATIONS OF THE ROYAL THAI GOVERNMENT WHICH ARE IN FORCE. IT IS UNDERSTOOD THAT TAKLI WILL NOT BE USED AS A STARTING POINT OR TERMINAL POINT FOR ANY RECONNAISSANCE FLIGHTS.

"4. THE ROYAL THAI GOVERNMENT REGARDS THE ABOVE PROPOSALS AS A PACKAGE DEAL, TO WHICH THE QUESTION OF AIT IS CRUCIAL. IN VIEW OF OUR CLOSE COOPERATION AS AMPLY DEMONSTRATED DURING THE PAST TEN YEARS, IT IS SIN-

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CERELY HOPED THAT THE UNITED STATES GOVERNMENT WILL FIND IT POSSIBLE TO TRANSFER AIT TO THE ROYAL THAI GOVERNMENT AT NO COST.

"5. SHOULD IT NOT BE POSSIBLE TO DO SO, PERHAPS THE UNITED STATES GOVERNMENT COULD FIND A WAY TO OFFER THE SALE OF AIT AT A TOKEN PRICE AND BEAR THE COST OF MAINTAINING AIT IN THAILAND PENDING THE COMPLETION OF THE PURCHASE.

"6. AS PART OF THE PACKAGE DEAL, THE ROYAL THAI GOVERNMENT HOPES THAT THE UNITED STATES GOVERNMENT WOULD BE, PREPARED TO BEAR THE MAINTENANCE AND OPERATIONAL COSTS OF AT LEAST THAT PART OF THE ICS WHICH

WOULD STILL BELONG TO THE UNITED STATES GOVERNMENT.

"7. THE ROYAL THAI GOVERNMENT WOULD LIKE TO BE ASCERTAINED WHETHER THE UNITED STATES GOVERNMENT IS STILL INTERESTED IN THE PACKAGE DEAL."

8. ACTION REQUESTED: WE WOULD APPRECIATE YOUR GOING BACK TO THE RTG AT AN APPROPRIATE POLICY LEVEL TO INFORM THEM OF THIS WASHINGTON MEETING. YOU SHOULD POINT OUT THAT IT WAS OUR UNDERSTANDING THAT THE NEGOTIATIONS WERE TO TAKE PLACE IN BANGKOK. YOU SHOULD TAKE THE LINE
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TAKEN BY HABIB THAT WE HAVE GONE AS FAR AS WE CAN GO IN THIS MATTER AND THAT THERE IS NO WAY UNDER OUR LAW IN WHICH WE CAN PROVIDE AIT AT NO COST OR A TOKEN PRICE. WE CANNOT JUSTIFY MAINTAINING STOCKS OF MILITARY EQUIPMENT IN A FOREIGN COUNTRY WHERE WE HAVE NEITHER BASES NOR A MILITARY PRESENCE EXCEPT IN ANTICIPATION OF A SALE. WE NEED THE AIT ELSEWHERE, AND OUR LEAVING IT IN THAILAND UNTIL THE THAI BUY IT REPRESENTS A SUBSTANTIAL SACRIFICE AND CONCESSION ON OUR PART.

9. YOU SHOULD ALSO TELL THE THAI THAT OUR ICS PROPOSAL IS AN EXTREMELY LIBERAL ONE WHICH PERMITS THE THAI TO RECEIVE A FIRST-CLASS COMMUNICATIONS SYSTEM AT NO CAPITAL OUTLAY ON THE PART OF THE RTG. OUR RADIO RESEARCH AND SEISMIC STATION PROPOSALS ALSO PROVIDE THE THAI WITH USEFUL CAPABILITIES AT LITTLE OR NO COST.

10. IN RETURN FOR THIS, YOU MIGHT POINT OUT, WE ARE REQUESTING P-3 AND AIRLIFT TRANSIT AT TAKHLI AND ACCESS TO THE PRODUCT OF THE SEISMIC AND RADIO RESEARCH ACTIVITY FOR WHICH WE WILL BE PAYING. IN OUR VIEW, THE OVERALL PACKAGE IS QUITE FAVORABLE TO THE THAI.AND THE TECHNICAL

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DISCUSSIONS SHOULD PROCEED AS AGREED IN BANGKOK. KISSINGER

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